ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advanced Level

BUSINESS STUDIES 6025/2

PAPER 2

NOVEMBER 2023 SESSION 3 hours

Additional materials:
Answer paper

TIME 3 hours

INSTRUCTIONS TO CANDIDATES

Write your name, centre number and candidate number in the spaces provided on the answer paper/answer booklet.

Answer **all** questions in Section A and any **three** from Section B.

Write your answers on the separate answer paper provided.

If you use more than one sheet of paper, fasten the sheets together.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets [ ] at the end of each question or part question.

You are advised to spend not more than 45 minutes on Section A.

The businesses described in this paper are entirely fictitious.

You are reminded of the need for good English and clear presentation in your answers.

Calculators may be used.

This question paper consists of 3 printed pages and 1 blank page.

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[Turn over

Section A: Data Response [25 marks]

Answer **all** questions in this section.

1 Read the passage below and answer the questions that follow.

SALIM PRIVATE LIMITED COMPANY

Salim Private Limited Company is a Mutare based company, which produces and sells flowers locally and regionally. The flowers that the company produces are Roses and Jurantas.

In a bid to boost its stock turnover, Salim Private Limited sells some of the flowers on credit to the company's well known customers.

The flower business has been growing in size and new branches have been opened in Mutare, Harare and South Africa. As a result, Salim Private Limited company employed Chris, an Accountant to assist in the preparation of financial statements required for decision making.

Salim Private Limited Company is considering eliminating one of the flower varieties to remain with one variety as it seeks to downsize its operation. The move will help to reduce operational costs.

To make the decision, Chris, the Accountant intends to use decision trees and relevant accounting information availed.

Below is a table of figures availed to Chris for use in the preparation of a set of accounts that may be required for decision making.

Summary of figures for the year ended 31 December 2020.

Flower varieties	Roses	Jurantas
Currency	$	$
Sales: Cash	9 000	3 600
Credit	4 500	1 800
Debtors	300	250
Average stock	300	350
Cost of Sales	6 200	4 500

(a) Define the term *downsizing* as it is used in the passage. [3]

(b) **(i)** Calculate the stock turnover for Roses and Jurantas. [4]

(ii) Comment on the results in **(b)(i)**. [2]

(c) Assess the benefits of downsizing to Salim Pvt Ltd Company. [6]

(d) Evaluate the usefulness of decision trees to Salim Pvt Ltd Company. [10]

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Section B: Essays [75 marks]

Answer any **three** questions from this section.

2		Evaluate government policies which affect the operations of businesses in your country.	[25]
3	(a)	Explain the legal documents required in the formation of limited companies.	[10]
	(b)	Discuss the effects of leadership styles on communication in an organisation.	[15]
4		Evaluate the benefits of Information and Communication Technology (ICT) in International Trade.	[25]
5	(a)	Explain the importance of performance appraisal to an organisation of your choice.	[10]
	(b)	"Financial incentives play a critical role in the motivation of workers". Discuss this statement with reference to a furniture manufacturing firm.	[15]
6	(a)	Explain any **three** sampling methods which can be used by a producer.	[10]
	(b)	Assess the usefulness of informal communication to the success of an organisation.	[15]
7	(a)	Explain the methods of work study.	[10]
	(b)	Discuss the factors that are considered when choosing a distribution channel.	[15]
8	(a)	Explain the costs of holding inadequate stocks to a business.	[10]
	(b)	Evaluate the importance of market research to a car manufacturing company.	[15]
9	(a)	Explain how firms window dress their financial statements.	[10]
	(b)	To what extent is debt finance useful as a source of finance?	[15]
10	(a)	Explain the importance of branding to a soft drink manufacturer.	[10]
	(b)	Assess the benefits of delegation to a large organisation.	[15]